United Nations E/2014/83

Economic and Social Council

Distr.: General
4 June 2014

Original: English

2014 session
Item 5 (c) of the provisional agenda*
High-level segment: annual ministerial review

Letter dated 16 May 2014 from the Permanent Representative of the United Kingdom of Great Britain and Northern Ireland to the United Nations addressed to the President of the Economic and Social Council

Attached herewith is the national report of the United Kingdom of Great Britain and Northern Ireland on progress towards the achievement of the internationally agreed goals, including the Millennium Development Goals, prepared for the annual ministerial review to be held during the high-level segment of the 2014 session of the Economic and Social Council (see annex).

I should be grateful if you would have the present letter and its annex circulated as a document of the Council, under item 5 (c) of the provisional agenda.

(*Signed*) Mark **Lyall Grant**
Permanent Representative

* E/2014/1/Rev.1, annex II.

14-54616 (E) 270614

Please recycle

Annex to the letter dated 16 May 2014 from the Permanent Representative of the United Kingdom of Great Britain and Northern Ireland to the United Nations addressed to the President of the Economic and Social Council

Summary

The international community is at a key moment for shaping the future of international development. Momentum is building around an ambitious and integrated post-2015 development agenda that will target eradicating extreme poverty within a generation. At the same time, the United Kingdom of Great Britain and Northern Ireland has met the 0.7 per cent target for official development assistance (ODA) and is fully committed to maximizing the impact of its development cooperation. The United Kingdom is clear that ODA needs to be used in the right places, on the right things and done in the right way. In particular, since 2012, the United Kingdom has given greater priority to supporting girls and women, taking an ambitious new approach to promoting economic development, driving even greater value for money and impact, embracing technology to benefit poorer countries and increasing the transparency of United Kingdom aid. It has played a lead role internationally on humanitarian response, including after the devastating effects of Hurricane Sandy in Haiti and Typhoon Haiyan, and providing vital humanitarian support to victims of the conflicts in the Syrian Arab Republic and Somalia.

Aid volume

The United Kingdom believes that, even in these difficult economic times, richer countries have a moral responsibility to help the poorest people in the world. That is why the Government of the United Kingdom has reaffirmed its commitment to an international development policy focused on the Millennium Development Goals and in 2013 became the first member of the Group of Eight to achieve the target of providing 0.7 per cent of its gross national income as ODA. This represents an increase from 0.57 per cent of ODA/gross national income in 2010 and was achieved against a backdrop of significant reductions in United Kingdom public expenditure overall. This reflects the commitment of the United Kingdom to keeping its promises to the world's poor.

Policy priorities

The United Kingdom believes that the "golden thread" of conditions that enable open economies and open societies to thrive are essential for poverty reduction: the rule of law, the absence of conflict and corruption and the presence of property rights and strong institutions.

Against this background, the United Kingdom has sharpened its focus on:

(a) Supporting fragile States: preventing and tackling conflict and building stability overseas;

(b) Stimulating private investment for growth;

(c) Pushing for freer trade that benefits developing countries;

(d) Addressing the growing challenges of climate change.

Improving aid effectiveness and efficiency

The United Kingdom has undertaken fundamental reviews of bilateral and multilateral aid to determine how to get maximum value for every taxpayer pound and to achieve the best development impact. It also commissioned the independent humanitarian and emergency response review, which reported in March 2011. The United Kingdom is acting on its recommendations both for United Kingdom policy and operations and for the international system. It has embedded the four key principles of development effectiveness throughout its programmes: ownership, results, transparency and inclusivity.

Transparency and scrutiny

As the United Kingdom honours its aid commitments, it is also ensuring much greater transparency and scrutiny to deliver value for money for United Kingdom taxpayers and to maximize the impact of the United Kingdom aid budget. In May 2011, it established the Independent Commission for Aid Impact, which has the remit to scrutinize any and all United Kingdom official development assistance and which reports directly to Parliament.

The United Kingdom has strongly supported and championed the International Aid Transparency Initiative since it was launched in 2011. It established its own development tracker in November 2013, which provides easy-to-use detailed information on projects funded by the United Kingdom.

Role of the United Kingdom in global development

The United Kingdom continues to play a full role in global debates on development. In 2013, the Prime Minister co-chaired the United Nations High-level Panel of Eminent Persons on the Post-2015 Development Agenda. The Panel's report concluded that it was possible to eradicate extreme poverty by 2030 and outlined the need to build effective, open and accountable institutions that ensure peaceful and prosperous societies and that encourage the rule of law, property rights and freedom of speech for all. Building those institutions is fundamental to addressing the world's future challenges.

A priority for the United Kingdom is to ensure that a modernized development financing system will effectively support the framework for the post-2015 development goals, with eradicating poverty at its core. It should build on the success of the current system and motivate all actors to do the right things in the right places in the right ways.

The United Kingdom presidency of the Group of Eight in 2013 set an ambitious agenda, aimed at boosting jobs and growth through more open trade, fairer taxes and greater transparency ("the 3Ts"). The commitments made by the Group at the Lough Erne summit will help developing countries to raise revenue from trade, taxes and the sale of their natural resources, so that they can fund their own development. The United Kingdom is now working to ensure that the Lough Erne commitments are fully implemented.

I. Towards a comprehensive development effort

1. The context for our development cooperation is changing. Three quarters of the world's poor now live in upper- or lower-middle-income countries. By 2015, half of the world's poor will live in fragile and conflict-affected States, which are the furthest behind in the attainment of the Millennium Development Goals. Global challenges such as climate change, fragility and resource scarcity are affecting the poorest in all these countries.

2. Countries such as India and China are demonstrating a new path for development and showing that they have a critical role to play in solving global problems. Development is now characterized by a greater number of State and non-State actors, and includes cooperation among countries at different stages in their development. South-South and triangular cooperation, new forms of public-private partnership and other modalities for development have become more prominent, complementing North-South forms of cooperation.

3. The relative importance of aid is changing as other sources of revenue increase. The United Kingdom recognizes that there are challenges ahead and that there is a need to address the changing global context: the changing geography and nature of poverty; the evolving nature of the international partnerships and actors working on development issues; and the post-2015 framework for international development.

Global development issues

4. The food price and financial crises that began in 2008 led to reduced or even negative growth rates, contraction in foreign direct investment and cuts in public spending in the countries that are members of the Organization for Economic Cooperation and Development (OECD). Global official development assistance (ODA) has reduced from $128.5 billion in 2010 to $125.9 billion in 2012. During the same period, humanitarian needs have increased as a result of more extreme weather events, including the earthquake in Haiti, floods in Pakistan, Typhoon Haiyan in the Philippines and drought in the Horn of Africa. Responses to the Arab Spring and conflicts in Libya, Iraq and the Syrian Arab Republic have also put pressure on ODA spending.

5. The response of the United Kingdom has been to increase its focus on fragile and conflict-affected States, through both bilateral programmes and multilateral assistance. The United Kingdom is on target to meet its commitment to direct 30 per cent of ODA by March 2015 to support those countries. It has also revamped its approach to humanitarian aid, with increased attention on building disaster resilience and enhanced support for tackling climate change through adaptation, mitigation and forestry programmes. In addition to delivering the commitment to meet the 0.7 per cent target, the United Kingdom has galvanized international support for tackling global issues such as disease (GAVI Alliance, the Global Fund to Fight Aids, Tuberculosis and Malaria) and food security.

6. The United Kingdom recognizes the importance of international trade and economic development to support growth in the United Kingdom and the developing world. It made a major effort to achieve a development-oriented agreement at the ninth Ministerial Conference of the World Trade Organization, held

in Bali, Indonesia. That agreement will boost international trade and integrate the poorest countries more closely into the global trading system.

7. Economic growth, led primarily by the private sector, is central to poverty reduction. During 2012/13, the Department for International Development (DFID) worked with other United Kingdom ministries, notably the Department for Business, Innovation and Skills and the Foreign and Commonwealth Office, to increase its work with businesses and Governments to remove barriers to trade, investment and business operations and to stimulate the development of markets to create jobs and benefit poor people.

8. The United Kingdom believes that honest and responsive government will enable open economies and open societies to thrive. In 2013, the United Kingdom chaired the Open Government Partnership, a multilateral initiative that aims to secure specific commitments from Governments to promote transparency, empower citizens, combat corruption and harness new technologies to strengthen governance.

Post-2015 framework for development

9. The United Kingdom continues to play an active role in the global debate on the post-2015 development agenda, which will be vital for eradicating extreme poverty by 2030. The Millennium Development Goals expire on 31 December 2015. Shaping what follows — the post-2015 development agenda — provides us with a generational opportunity to set the global development agenda to 2030. The United Kingdom wants to see a single, compelling set of goals that complete the job started with the Goals and secure the global ambition to eradicate extreme poverty, embed peace, stability and good governance in societies and result in growth through sustainable development.

10. Extreme poverty was halved in 15 years through the Millennium Development Goals. However, more than 1 million people remain affected by extreme poverty. The effects are appalling — millions of infants die each year from infectious diseases that we have the power to prevent; millions of human brains and bodies are, literally, stunted; and millions of minds are denied basic education. By continuing to prioritize the eradication of extreme poverty through the post-2015 framework, we hope to secure a global effort to end extreme poverty by 2030.

11. While the Millennium Development Goals rallied global effort around human development outcomes, they did not sufficiently address the underlying causes of poverty. We want the post-2015 agenda to strengthen governance and reduce and prevent conflict and violence. Without addressing the causes of conflict and fragility, we will not eradicate extreme poverty. We hope that governance, peace, security and justice for all will fit within a framework that is both ambitious in addressing those core issues and flexible enough to be useful in preparing national development plans, recognizing that the priorities will vary by country and region. We believe that the new agenda should call for:

(a) Effective and inclusive economic, social and political institutions that avert the risks of conflict, provide a stable and predictable environment for business investment, innovation and growth and leave no one behind, ensuring that women and men can get a job, have a voice and have equal access to opportunities;

(b) A political voice and opportunities for all, rights and fundamental freedoms, including of assembly and expression;

(c) Strong economic institutions, free and fair markets, functioning commercial courts, clear and consistently applied policies, regulations and laws, secure property rights and simplified business registration procedures;

(d) Capable and responsive Governments, able to deliver job opportunities for their peoples and offering them protection against crime, violence and discrimination;

(e) A rule of law that provides a predictable and stable environment for investors, for people to secure title for land, for protecting natural resource assets on which poor communities depend and as a tool for preventing marginalization and discrimination;

(f) Fair and functioning justice systems, ensuring that all citizens have equal access, allowing women and men to speak for themselves, realize their rights and hold Governments to account.

12. Eradicating extreme poverty will not be possible without also addressing climate change and promoting sustainable development. We therefore want to see a framework that has sustainable development as the means to end poverty. We want a framework that avoids dangerous climate change, encourages us to live sustainably within our resource limits and protects the world's natural resources, allowing us to achieve sustained growth and poverty eradication. Well-designed development goals should complement, not duplicate, what is agreed in the United Nations Framework Convention on Climate Change and other multilateral environmental agreements.

13. The United Kingdom would also like to see a stand-alone gender goal that addresses the causes of gender inequality. Gender equality is necessary to end poverty. Evidence shows that, where girls and women are "locked out", economies and societies underachieve. Gender equality is a proven enabler of economic growth and a multiplier of other human development goals — when a girl in the developing world receives seven or more years of education, she marries four years later and has 2.2 fewer children and her children are more educated and healthier. We want to see targets that will transform the lives of girls and women: ending violence against girls and women; ending child, early and forced marriage; promoting economic empowerment, voice, leadership and participation; securing universal sexual and reproductive health and rights; reducing maternal mortality; and increasing girls' education. This needs to be complemented by gender-sensitive targets and indicators throughout the framework and data that are disaggregated by sex and age.

Financing for development

14. The vision of the Government of the United Kingdom is to eradicate poverty and transform economies by helping poorer countries to achieve a secure, self-financed and timely exit from poverty through economic development. Private investment contributes to economic development by creating productive jobs and increasing the tax revenue that helps developing countries to fund their own services. The Government needs to put in place the building blocks for economic development by creating the policy, legal, regulatory and institutional environment for markets to work and businesses to grow.

15. The United Kingdom is clear that a modernized development financing system will effectively support the framework for the post-2015 development goals with eradicating poverty at its core. It should build on the success of the current system

and motivate all actors to do the right things, in the right places, in the right ways. This means maximizing the impact of all finance sources to strengthen the economic transformation of developing countries and help them to finance themselves out of poverty. The system must also capture and incentivize total support for development from all sources, not just ODA. The United Kingdom is engaging closely with the work of the OECD Development Assistance Committee on modernizing development finance.

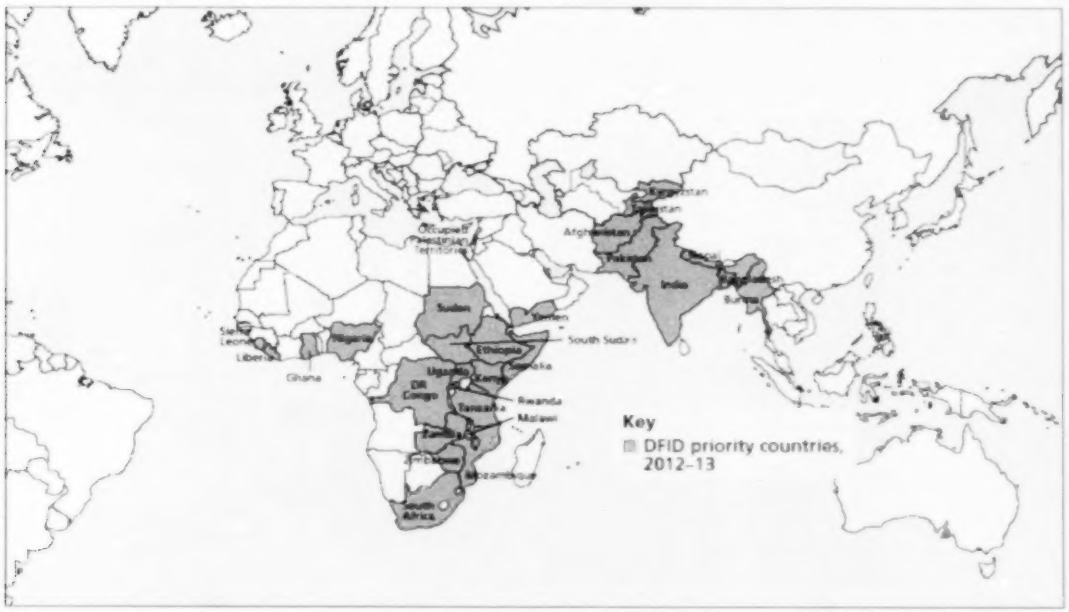
16. The United Kingdom is also contributing to work on a post-2015 sustainable development finance strategy through its representative on the Intergovernmental Committee of Experts on Sustainable Development Financing. The Committee is mandated by the United Nations Conference on Sustainable Development to prepare options for a sustainable development financing strategy by 2014.

II. United Kingdom development policy

United Kingdom development assistance: our mandate

17. The United Kingdom has made strong commitments to tackling world poverty.

Figure I
Department for International Development 28 priority countries 2012-13



18. The overall aim of the United Kingdom is to reduce poverty in poorer countries by achieving the Millennium Development Goals. DFID leads this work. The United Kingdom does this through programmes delivered by a range of partners, including multilateral institutions, civil society organizations and the private sector. We have bilateral country programmes in 28 countries and three regional programmes. In addition, we partner with the key multilateral

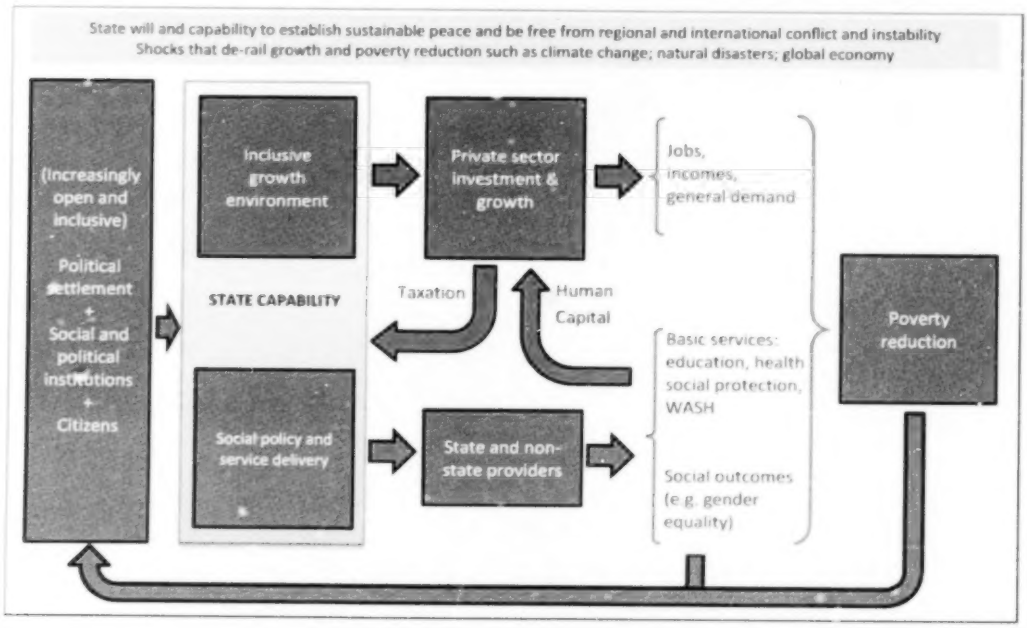
organizations, such as United Nations agencies and multilateral development banks, which play a critical role in both humanitarian response and poverty reduction.

19. We have a strong focus on supporting the key basic services — health, education, water and sanitation — to meet the Millennium Development Goals. As the 2015 deadline for the Goals is now in our sights, we continue to focus on areas that are proving intractable, such as maternal mortality, access to water and sanitation and access to education for girls. We are expanding our support for fragile and conflict-affected States, which are often furthest from achieving the Goals. We accompany this where needed with support for humanitarian crises all over the world, for example recently in the Syrian Arab Republic.

20. Above all, all our support is provided in the light of a long-term vision to help countries to exit poverty. This involves support for strong and sustainable social, economic and political institutions so that countries can lead their own development and generate economic growth, tax revenue and jobs. Practically speaking, this means that we also provide support to the building blocks of prosperity that the Prime Minister has called the "golden thread" of development, such as domestic resource mobilization, absence of conflict, honest and transparent government, education and clear rules for business.

Figure II

Department for International Development approach to poverty reduction: business plan (2013)


State will and capability to establish sustainable peace and be free from regional and international conflict and instability
Shocks that de-rail growth and poverty reduction such as climate change; natural disasters; global economy
(Increasingly open and inclusive)
Political settlement
+
Social and political institutions
+
Citizens
Inclusive growth environment
STATE CAPABILITY
Social policy and service delivery
Private sector investment & growth
Taxation
Human Capital
State and non-state providers
Jobs, incomes, general demand
Basic services: education, health social protection, WASH
Social outcomes (e.g. gender equality)
Poverty reduction

21. United Kingdom international development policy and funding benefit from a solid legal basis in the 2002 International Development Act. This means that the Secretary of State for International Development can provide development

assistance for sustainable development and welfare, provided that he or she is satisfied that this assistance is likely to contribute to poverty reduction.

22. The DFID business plan for 2012-2015 sets out a number of priorities aimed at supporting the achievement of the Millennium Development Goals:

(a) Honour international commitments and support actions to achieve the Goals;

(b) Drive transparency, value for money and open government;

(c) Boost wealth creation;

(d) Strengthen governance and security in fragile and conflict-affected countries and make the humanitarian response of the United Kingdom more effective;

(e) Lead international action to improve the lives of girls and women;

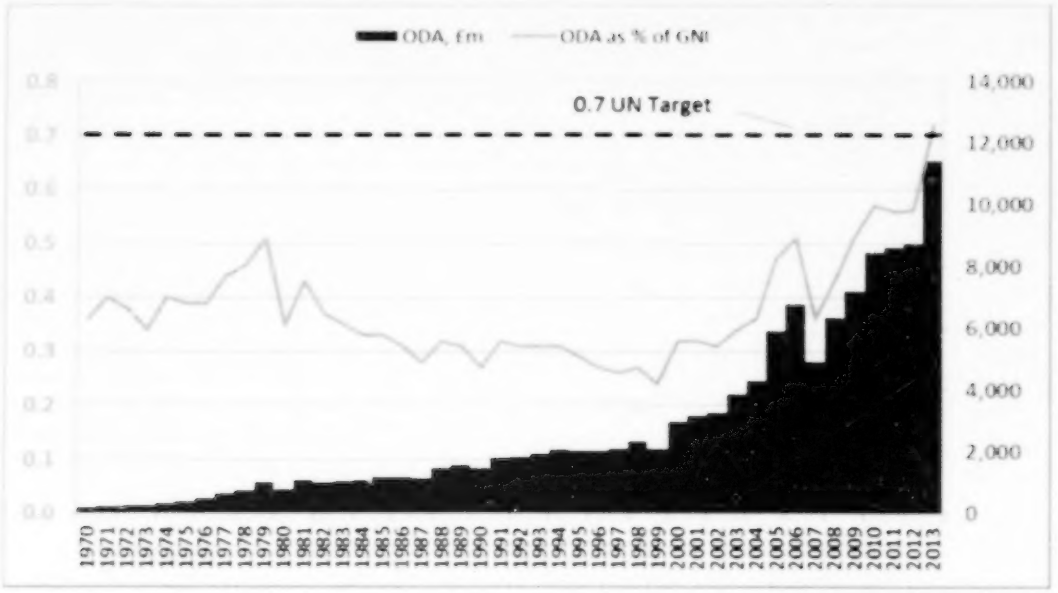
(f) Combat climate change.

23. In January 2014, the Secretary of State for International Development set out the new approach of the United Kingdom to support growth and create jobs in developing countries (see www.gov.uk/government/speeches/smart-aid-why-its-all-about-jobs). In 2015-16, DFID will target £1.8 billion at economic development, more than doubling the amount spent in 2012-13, in line with its new strategic framework on economic development (see www.gov.uk/government/publications/economic-development-for-shared-prosperity-and-poverty-reduction-a-strategic-framework).

Volume of official development assistance

24. Official provisional statistics show that United Kingdom ODA increased by 30 per cent in 2013. This represented an increase of £2.671 billion, up from £8.766 billion in 2012 to £11.437 billion in 2013. ODA as a proportion of gross national income (GNI) increased from 0.56 per cent in 2012 to 0.72 per cent in 2013. Bilateral ODA (to developing countries) has increased by £1.353 billion (24.6 per cent), while multilateral aid (to multilateral organizations) has increased by £1.319 billion (40.4 per cent). Subject to final confirmation of the numbers for 2013, the United Kingdom is the first member of the Group of Eight to reach 0.7 per cent ODA/GNI target.

Figure III
Official development assistance levels since 1970



Source: DFID statistical release: provisional United Kingdom ODA as a proportion of GNI, 2013, April 2014.

Policy coherence for development

25. The commitment of the United Kingdom to an international development policy focused on the Millennium Development Goals can be achieved only through a significant level of policy coherence across the Government.

26. The government structures support coherence in a number of ways. First, the role of the Secretary of State for International Development as a Cabinet Minister ensures consultation on the full range of government policy initiatives with development impact. Second, his or her membership of the National Security Council enables the Government to take a comprehensive approach to policy issues critical to international development. Third, the National Security Council agreed in June 2013 to reform decision-making around countries at risk of instability, creating a simpler, more strategic framework that will further strengthen coherence across the Government.

Promoting development in a wider arena

27. The Government recognizes that securing progress on the Millennium Development Goals requires actions that engage a wide range of decision makers and strong support from the public. This means using every opportunity to build progress. For example, the Prime Minister and the Vice-President of Brazil co-hosted a Global Hunger Event on the final day of the 2012 Olympic Games, held in London. The participants in the high-level meeting called upon representatives of Governments, charities and businesses to take decisive action before the Olympic Games to be held in Rio de Janeiro, Brazil, in 2016 to transform the life chances of millions of children by improving nutrition. To maintain the attention paid to the

political and financial commitments needed to prevent undernutrition, the United Kingdom worked with civil society and the Government of Brazil to co-host a high-level meeting on the theme "Nutrition for growth: beating hunger through business and science" in June 2013. At the event, world leaders signed a global agreement to improve the nutrition of 500 million pregnant women and young children and to reduce the number of children under 5 years of age who are stunted by an additional 20 million. The measures are expected to save the lives of at least 1.7 million children.

International Climate Fund

28. The United Kingdom has enhanced its work across the Government on climate change. It is strongly committed to tackling climate change and to ensuring that approaches to climate change also help to alleviate poverty. In 2011, the United Kingdom launched the International Climate Fund, specifically aimed at helping developing countries reduce poverty. In that regard:

(a) The objectives of the Fund are to help developing countries to reduce poverty, adapt to the impacts of climate change and pursue low-carbon growth, including reducing emissions from deforestation and forest degradation;

(b) The Fund is worth £3.87 billion between April 2011 and March 2016;

(c) Departments working together include DFID, the Department for Energy and Climate Change, the Department for Environment, Food and Rural Affairs, the Foreign and Commonwealth Office and the Treasury;

(d) The Fund aims to deliver results through innovative project portfolios, including a public-private partnership programme to boost private investment;

(e) It also supports a global programme to help 6 million small-scale farmers in 40 developing countries adapt to a changing climate.

29. The United Kingdom ensures that all ODA is consistent with United Kingdom climate and environment objectives through:

(a) Climate and environment assessments carried out for all new programmes managed by DFID, the Department for Energy and Climate Change and the Department for Environment, Food and Rural Affairs;

(b) Strategic programme reviews to identify how country programmes can best tackle these issues;

(c) Deeper analysis of the links between poverty, climate change and resource scarcity.

Economic development

30. Economic growth is the most important means of raising people's incomes and reducing poverty in the developing world; it creates jobs and opportunities for poor people to support their families and build more stable futures. The private sector — both formal and informal — is the engine that drives growth in all countries and builds sustainability. In that regard:

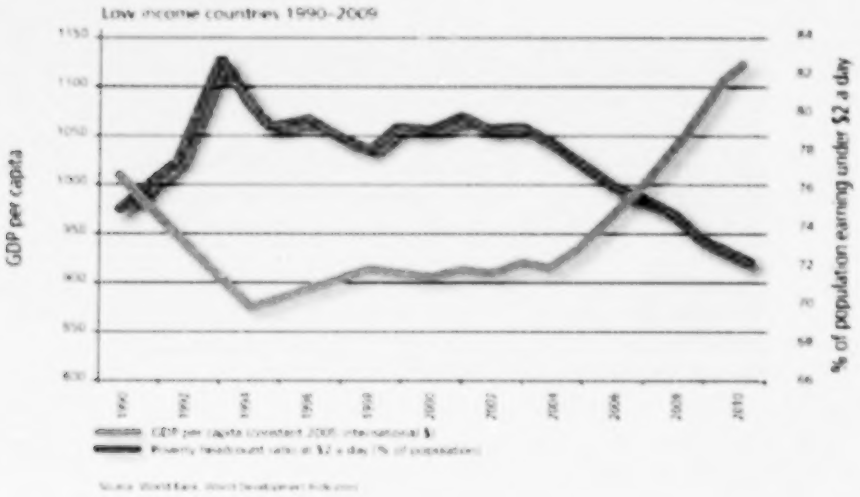
(a) Wherever long-term per capita growth is higher than 3 per cent, poverty falls significantly;

(b) A threefold increase in per capita gross domestic product (GDP) in Viet Nam resulted in poverty levels falling from 64 per cent in 1993 to 17 per cent in 2008;

(c) In China, the population living on less than $1.25 per day fell from 84 per cent in 1981 to 13 per cent in 2008, during a period of a tenfold increase in per capita GDP.

Figure IV

Percentage of the population earning under $2 a day and gross domestic product per capita in low-income countries (1990-2009)



Stimulating businesses to see the value of supporting poor people

31. However, we cannot just ignore the effects — positive or negative — that businesses have in developing countries. That is why we are building partnerships with businesses such as SABMiller and Unilever in developing countries to promote new approaches that generate profits with a strong developmental impact. For example, in South Sudan, the world's newest country, we are working with SABMiller to source cassava locally, providing an income for at least 2,000 farmers. We are also working with some of the top United Kingdom companies to invest in improving skills, health and working conditions for poor workers and smallholder farmers working in their value chains. In the United Republic of Tanzania, the United Kingdom is working with companies, including Unilever, to co-invest in business projects with good development outcomes.

32. This is also why we believe that untied aid (i.e. aid that is not specifically tied to the use of United Kingdom suppliers) is so critical. While we believe that United Kingdom business is very strong and can win many new contracts, allowing supplies to be bought from anywhere in the world has been a central pillar of United Kingdom aid policy since 2002. Our procurement rules now promote local markets, enabling new factories to be built in developing countries, supporting local jobs and employment. It has also increased the value for money for the United Kingdom

taxpayer and encouraged the competitiveness of the international development sector and United Kingdom business.

Domestic resource mobilization

33. An effective tax system is at the heart of an effective State. Domestic revenue from taxation is the most sustainable source of State financing by creating a base for expenditure on public services, investment and social transfers. Fair and efficient tax systems can also help to build trust between citizens and the State, contributing to an environment of accountability, and can also play an important role in creating an attractive investment climate. Ultimately, tax enables countries to have ownership, be self-sufficient and end dependency on aid.

34. Tax administrations need to have strong capacity to collect and administer taxes fairly and efficiently, supported by transparent and accountable public financial management systems to manage expenditure. This also involves strategies for the effective use of domestic revenue and building domestic accountability.

35. The United Kingdom supports tax administrations bilaterally and through international programmes.

Supporting tax collection in Sierra Leone

An example of successful tax administration is the National Revenue Authority of Sierra Leone, which launched a tax modernization plan in 2007 with support from DFID of £14.7 million over six years, as Sierra Leone began to rebuild after the civil war. In 1986, the revenue to GDP ratio had plummeted to 5 per cent of GDP.

The programme served as a catalyst to boost the revenue to GDP ratio to 11.4 per cent by 2012 and future support aims to increase the revenue to GDP ratio to 13.9 per cent by 2017 (excluding iron ore), making this a high-impact spend in development cooperation funds. Sierra Leone has a vibrant civil society, which continues to monitor the transparency of funds and mineral contracts and to check that funds are used towards meeting the Millennium Development Goals.

Stepping up international efforts to combat tax evasion and avoidance

36. DFID wants developing countries to collect the taxes that are owed to them, which is why we are working hard to combat tax evasion and avoidance. In 2013, we stepped up these international efforts through the presidency of the United Kingdom of the Group of Eight.

37. At the Lough Erne summit in June 2013, the Group of Eight agreed to support a new international standard of automatic exchange of information that would help all countries in tackling tax evasion. We are now working through the Group of 20 to develop a road map so that developing countries can overcome obstacles to participating in this new standard and so reap the full benefits of recent developments in international tax transparency.

Reducing barriers to economic growth

38. Getting finance flowing is often one of the deepest and most difficult barriers for small and large enterprises operating in developing markets. DFID has pioneered the use of new financial instruments to help businesses of all sizes to grow and create jobs. We are supporting poor people to get better access to savings, credit and insurance, including support to 18 million women to gain access to financial services such as bank accounts, savings and insurance. We are working with CDC (the United Kingdom development finance institution) to support the building of businesses throughout Africa and South Asia to create jobs and make a lasting difference to people in some of the world's poorest places.

39. We are also focused on making it easier to do business in developing countries. Private investment in most developing countries is far higher than official development assistance, but it needs to grow further and there are barriers. Poor infrastructure, poor regulation, information gaps and financial challenges deter investment by companies, big and small, domestic and international. That is why we also continue to work with multilateral agencies, for example through the Private Infrastructure Development Group, to enable investments in infrastructure development.

40. We also have a growing portfolio of programmes that work to tackle these barriers to investment, business growth and jobs by strengthening the legal, regulatory and institutional frameworks in developing countries. We are supporting reforms to make the operating environment for businesses simpler, fairer and more transparent.

- In Nigeria, our technical assistance programmes have helped to increase the country's power supply by 45 per cent.
- In Bangladesh, we have helped to cut the number of days that it takes to register a business from 57 days to just 3 days.
- We plan to help to secure the right to land and property for more than 6 million people, including 4.5 million women.

Girls and women

41. In 2012, the Government put girls and women at the heart of its programming, to "stop poverty before it starts". This means ensuring that girls and women have a voice in decision-making at all levels; a choice over whether to have children, when and how many; control over their bodies; freedom from the threat of violence; and control over resources and assets to lift themselves and their families out of poverty.

42. To support this, we have deepened our efforts to collect, disseminate, harmonize and make full use of data disaggregated by sex. This gives a much better picture of the reach of our impact, bringing the most vulnerable and marginalized to the fore. Nine of the DFID level 2 results framework indicators are disaggregated by sex.

43. A gender equality bill has also recently been passed by Parliament and establishes a legal requirement for the Government to consider, before providing

development assistance, how that assistance will contribute to reducing gender inequality.

44. Lastly, we have four specific pillars of work on women and girls, which challenge us to be more innovative and bold. Those four pillars are:

(a) To get economic assets directly to girls and women;

(b) To get girls through secondary school;

(c) To delay first pregnancy and support safe childbirth;

(d) To prevent violence against girls and women.

45. We are also raising awareness of and addressing violence against women in conflict-affected countries. We also encourage our multilateral partners to drive this agenda forward.

Odisha girls' education programme

In 2013, DFID India will help the government of Odisha set up an incentive scheme to encourage Dalit and tribal girls to enrol in and complete junior secondary school. The project will register disadvantaged girls in the last year of upper primary school and support them to enter and complete junior secondary schooling. The allowance will be paid if girls attend secondary school 75 per cent of the time. We expect this to drive up school attendance and increase completion rates (to 16 years).

Through research and evaluation, the Odisha Girls' Incentive Programme will add to the global evidence base on what works and why. It is intended that successful innovations will inform the design of the national incentives programme that the Government of India plans to launch.

III. United Kingdom development cooperation and development effectiveness

46. In many countries, aid flows are making up a decreasing part of country budgets and they are increasingly self-financing services for the poor. This implies a more strategic use of aid in many countries. Aid, however, is still of critical importance, especially for reaching the very poorest people in low-income countries, supporting the transition out of aid and responding to global challenges.

47. That is why our work is not just about delivering quantity, but quality: it is not just about what we do, but how we do it. As the United Kingdom moves to spending 0.7 per cent of gross national income on development cooperation, there is an imperative to make the best investments with our resources. It is also why the support of the United Kingdom for international development is increasingly involving a range of government ministries, for example working with the Foreign and Commonwealth Office and the Ministry of Defence in an integrated response to

conflict prevention, stabilization and discretionary peacekeeping through the United Kingdom conflict pool and working with the Department for Energy and Climate Change, the Treasury and the Department for Environment, Food and Rural Affairs on tackling the challenges posed by climate change.

48. The United Kingdom is a strong supporter of the international processes that guide the effectiveness of development support, for both the United Kingdom and the international development architecture. The Secretary of State for International Development is proud to have co-chaired the Global Partnership for Effective Development Cooperation in preparation for its inaugural high-level meeting on 15 and 16 April in Mexico. This will be an important step along the development effectiveness road. Born out of the Fourth High-level Forum on Aid Effectiveness, held in Busan, Republic of Korea, in 2011, the Global Partnership has brought an important shift from aid effectiveness to development effectiveness. This has moved the focus from aid flows to a more strategic approach of seeing our assistance within a bigger picture of the many drivers that will influence development and help countries to exit poverty.

49. The United Kingdom has embedded the four key principles of development effectiveness throughout its programmes:

(a) Results;

(b) Transparency;

(c) Ownership;

(d) Inclusivity.

Results

50. Development cooperation — and aid specifically — is a means to an end, not an end in itself. That is why it is important to focus not on volumes of assistance, but on impact. This is the aim of the results agenda and it is why DFID has invested heavily over the past three years in strengthening our focus on results. By publishing our commitments and the results that we achieve, we hope to strengthen accountability and credibility for our assistance and ultimately achieve a lasting impact for the poor. The results agenda also helps us to be more flexible and innovative in designing programmes to deliver results, as we focus more on outcomes than inputs and outputs.

51. To support the results agenda, DFID has transformed its management structures to embed a results focus throughout its work, from managing, monitoring and evaluating to communicating progress. The results framework provides the senior management with regular management information and reviews of portfolio performance, risks in delivery and where and how to drive better value. These results flow throughout our organization as each DFID country office now publishes a results-orientated and country-specific operational plan.

52. The United Kingdom continues to achieve against its commitments. As at March 2013, the United Kingdom had:

(a) Enabled 30.3 million people, including at least 14.6 million women, to work their way out of poverty by providing access to financial services;

(b) Prevented 12.9 million children and pregnant women from going hungry;

(c) Ensured that 1.6 million births took place safely;

(d) Provided 8.7 million people with emergency food assistance;

(e) Supported 5.9 million children — 2.8 million of them girls — to go to primary school.

53. The United Kingdom has undertaken fundamental reviews of bilateral and multilateral aid to determine how to get maximum value for every taxpayer pound and to achieve the best development impact. Those reviews were based on rigorous evidence, drew on extensive consultations with bilateral partner Governments, civil society and the private sector and were subject to external scrutiny and challenge. The conclusions were published in March 2011 in a document entitled "UK aid: changing lives, delivering results".

54. The United Kingdom also commissioned the independent humanitarian and emergency response review, which reported in March 2011. The United Kingdom is acting on its recommendations both for United Kingdom policy and operations and for the international system. They include commitments to embed disaster resilience in all country programmes by 2015 and to play a lead role internationally in promoting the resilience agenda.

Smart procurement, better value for money

In 2013, DFID won the Chartered Institute of Purchasing and Supply award for best international procurement project for our work in reducing the price of contraceptives for women in developing countries. In this instance, we formed a consortium with Bayer HealthCare, the Bill and Melinda Gates Foundation, the Clinton Health Access Initiative, the Governments of Norway, Sweden and the United States of America, the Children's Investment Fund Foundation and the United Nations Population Fund. Together, using what is known as the "advance market commitment mechanism", we achieved a price reduction of 50 per cent on Jadelle contraceptive implants, which is providing access to 27 million units for women in developing countries.

Results for long-term impact

55. Our focus on results has helped us to see our assistance in terms of the measurable transformation of individual lives. Even when responding to immediate emergencies, we are increasingly trying to ensure that we also invest in helping countries to become more resilient to disasters, as an efficient way of spending aid compared with giving humanitarian support. This means a strategic use of development resources that will lead to deeper, more sustained change.

Investments in resilience saving lives

A strategic approach to development in India by investing in disaster preparedness has resulted in dramatically reducing the loss of lives caused by cyclones.

Cyclone Phailin, a category 4 storm the size of Hurricane Katrina, was the biggest storm to hit the Indian coast in the past 14 years. In 1999, a similar storm hit the same coastline, killing more than 10,000 people. In response, DFID and other donors supported the government of Odisha to invest heavily in disaster preparedness. The government set up the first state-level agency in India for disaster management, built cyclone shelters, created evacuation routes, strengthened coastal embankments and conducted annual mock drills in the coastal districts.

While Cyclone Phailin was stronger than the storm 14 years previously and did result in significant damage to housing and infrastructure, thanks to this disaster preparedness and risk mitigation, the official death toll was 38 people. Close to 1 million people were evacuated to cyclone shelters, safe houses and locations inland.

Transparency

56. Transparency is a key ingredient for the effectiveness and accountability of development assistance. Transparency enables taxpayers in provider countries to see how development funds are being spent and hold their Governments to account. It also allows recipient Governments to plan and manage the resources coming into their country, as well as empowering citizens and parliamentarians to hold their Governments and donors to account.

57. In recent years, the United Kingdom has championed transparency in development assistance globally. With political commitment from the highest levels of the Government, our efforts have had a dual focus: first, getting our own house in order across the Government by stepping up our efforts to share data in a timely, comprehensive, comparable and accessible way and, second, working with others to build transparency globally. This effort has been recognized in our being ranked first and third in the International Aid Transparency Index in 2012 and 2013 respectively.

> "Incredible as it may seem, just 12 months ago the Government did not publish details of how our development money was spent … Today, people all around the world can go online and see every item of DFID spending over £500"
>
> David Cameron, Prime Minister of the United Kingdom, June 2011, GAVI pledging conference

Impact of international coalitions

58. The International Aid Transparency Initiative has transformed our approach to transparency. It is an important agreement on how aid information should be published in order to meet the needs of both donor and recipient countries. As one of the first signatories, DFID committed itself to publishing data on its development assistance in line with the pre-agreed international standard. We were the first to publish to this standard and continue to do so on a monthly basis. It is a great achievement of the Global Partnership for Effective Development Cooperation that more than 200 other organizations are also now publishing data through the Initiative.

In India, DFID supported the Government of Bihar to develop the Right to Public Services Act 2011 and implement a public awareness campaign to improve services for the poor. Establishing this as a right and raising awareness of it led to a significant increase in applications for services. The first five months saw more than 9 million applications. There was also an associated improvement in service delivery, with more than 80 per cent of applications successfully processed.

Ownership

59. Ownership by countries of their own national development agenda is essential for lasting, sustainable success. However, ownership has to be politically driven. This means developing countries exercising political leadership to drive and demonstrate a tangible commitment to their own development. As a provider of development cooperation, we need to provide our support in a way that supports and strengthens, rather than undermines, local responsibility and leadership.

We help to build effective institutions for ownership

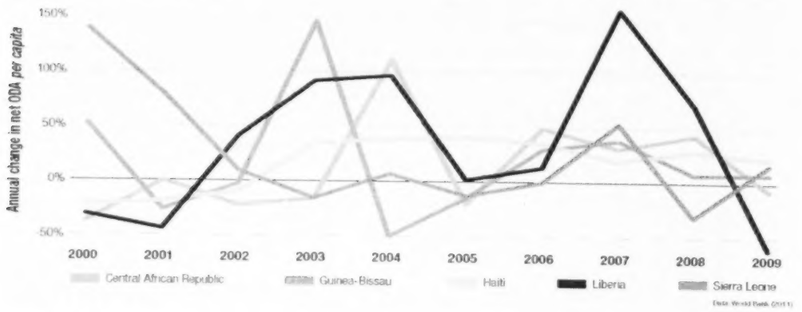
60. Development depends on the collective strength of a country's political, social and economic institutions. That is why the Prime Minister has made it a priority for us to support the range of institutions needed for countries to own and lead their own development in what he has termed the "golden thread" of development. Over the past two years, we have increased our support for the building blocks of key institutions, such as the rule of law, the absence of conflict and corruption and the presence of property rights. In 2012/13, DFID invested £714 million in open societies and peace.

Fragile and conflict-affected States

61. Over the past two years, the process of building ownership has been guiding development strategies in several fragile and conflict-afflicted States. These are a critical set of countries where development responses need to be smart, flexible, tailored to the context and harmonized. Above all, given the complex, changing dynamics of such contexts, the international community needs a keen understanding of the politics and to be able to act on it.

Figure V
Five countries providing an illustration of aid volatility in fragile States

The five countries below provide an illustration of aid volatility in fragile states. From 2000 to 2009, it was not uncommon for total aid to the Central African Republic, Guinea-Bissau, Haiti, Liberia and Sierra Leone to drop by at least 30 percent in one year and increase by up to 100 percent the following year.



- By 2015, half of the world's poor people will live in fragile States.
- About 70 per cent of fragile States have seen conflict since 1989.
- DFID will spend 30 per cent of assistance in fragile and conflict-affected contexts in 2014.
- Of the seven countries that are unlikely to meet a single Millennium Development Goal, six are fragile (OECD).

62. The New Deal for Engagement in Fragile States is an instrument specifically designed to build ownership. It provides a framework for development partners to work with partner countries in a way that builds mutual trust and supports a country and its priorities, plans and systems. At the heart of the New Deal are agreements between donors and partner countries, known as "compacts". They have five peacebuilding and State-building goals at their heart: legitimate politics, security, justice, economic foundations and revenues and services. To inform these goals, donors and partner Governments often also undertake joint fragility assessments in New Deal countries to build awareness of the politics and risks.

63. The United Kingdom is playing a lead role in the New Deal work in Afghanistan, Sierra Leone, Somalia and South Sudan.

Inclusivity

64. Poverty eradication is a global challenge that will be achieved only through a global effort, requiring contributions from everyone. It is not just that we want to work in partnership; we have to work in partnership if we want to see sustainable gains on poverty.

65. We see inclusive development as an approach that considers all stakeholders. It is about working in a way that reflects the needs of all in society, including the poorest and marginalized. As the Arab Spring has shown, without inclusive development alongside growth, it is hard, if not impossible, to sustain poverty reduction. It also refers to the true spirit of partnership, where we link our individual strengths and harness the synergies from working together towards a common goal.

66. Relationships are at the heart of development, which will never be achieved through just a technical approach. In DFID, our diverse partners offer a wealth of expertise, skills and perspectives, ranging from other countries at varying stages of the development journey, to civil society organizations, beneficiaries at the grass-roots level, the United Kingdom public, the private sector, philanthropic foundations, local governments, researchers, the media and parliamentarians.

67. We recognize that genuine partnerships do not happen automatically: we seek to build openness, trust, mutual respect and learning throughout our relationships, valuing the individual strengths of our partners and finding places of common agreement. We also expect our delivery partners to follow the principle of inclusivity. For example, "partnership behaviour" is a criterion in our assessment of multilateral partners.

68. Through our Global Development Partnership Programme, set up in 2012, DFID is working with emerging Powers on development outside their own borders. For example, the Programme has enabled the scaling up of work with Indian pharmaceutical manufacturers to lower the cost of lifesaving medicines across the developing world, saving £1 billion on essential drugs and vaccines. It is also supporting the sharing of South African expertise on health planning and procurement with other African countries. New work with China will enable low-income countries to learn from that country's unparalleled success in reducing infant, child and maternal mortality rates, disease prevention and control and health sector reform.

69. Our objectives in our strategic partnerships with emerging Powers are:

(a) To make our development support more effective. By learning from others, we can make United Kingdom development assistance smarter at reducing poverty. United Kingdom support should reflect lessons from the recent development experience of emerging Powers and catalyse the uptake of relevant lessons in poorer countries. For example, DFID has entered into a $4.5 million partnership with the Economic and Social Research Council to investigate how lessons from the successful economic transformation in China could generate new solutions for low-income Africa;

(b) To encourage responsible investment in poorer countries and regions. Done well, in response to local and regional priorities, investment should stimulate growth and drive development;

(c) To respond more strongly to global challenges. Collaboration on global issues, such as trade, climate change, health and food security, can improve development prospects in poorer countries;

(d) To work together to promote a better, more effective international and multilateral system. Cooperating with emerging economies is critical to achieving reform in the international systems that affect poverty reduction, such as through strengthening the key multilateral institutions, Group of 20 action and shaping the post-Millennium Development Goals framework.

IV. Conclusions: looking forward

70. The present report has sought to demonstrate the strong political commitment of the United Kingdom to achieving the Millennium Development Goals and working effectively to reduce poverty. As we continue to meet our international target of investing 0.7 per cent of GNI in development support and prepare for the post-2015 development goals framework, making sure that we deliver high-quality, high-impact cooperation will continue to be critical.

> "Together, we can give our best to lifting countries out of poverty, ending aid dependency and building a stronger global economy for everyone".
>
> Justine Greening, International Development Secretary, 2013